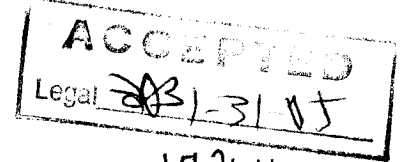


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January 28, 2005

South Carolina Public Service Commission  
Attention: Docketing Staff  
Post Office Box 11649  
Columbia, South Carolina 29211

Re: *Application of Chem-Nuclear Systems, LLC*  
(SCPSC Docket No. 2000-366-A) (Fiscal Year 2004-2005)

Dear Sir or Madam:

Enclosed herewith for filing with the Commission please find the original and ten (10) copies of amended pages to the Exhibits to the original Application of Chem-Nuclear Systems, LLC, which Application was filed with the Commission on September 27, 2004. You will find enclosed amended pages 1 and 3 to Exhibit A and an amended Exhibit C. I would appreciate your substituting these pages for the pages that were filed with the original Application.

By copy of this letter and by Certificate of Service appended to the amended Exhibits, I am serving all counsel of record.

Should you have any questions with respect to this matter, please do not hesitate to contact me.

Very truly yours,

Robert T. Bockman

Enclosures

cc: David K. Avant, Esquire  
Hana Pokorna-Williamson, Esquire  
The Honorable Max K. Batavia  
The Honorable Henry Dargan McMaster  
Florence P. Belser, Esquire  
Frank R. Ellerbe, Esquire  
Daniel F. Arnett/ORS  
Jay R. Jashinsky/ORS

**EXHIBIT A:**  
**FISCAL YEAR 2003-2004 COSTS**  
(Amended January 21, 2005)

**Fixed Costs: Adjustment Proposed**

Fixed costs were incurred in Fiscal Year 2003-2004 in the general categories of labor-related costs, non-labor costs, costs allocated from corporate functions and fixed costs not subject to the 29% statutory margin. The following table compares the actual costs incurred to the costs identified as allowable in Commission Order No 2004-349:

	<b>Commission Order No. 2004-349</b>	<b>Actual Costs Incurred in FY 2003-2004</b>	<b>Adjustment Proposed</b>
Labor and Fringe	\$2,656,177	\$2,758,135	
Non-Labor	\$1,299,646	\$1,173,316	
Corporate Allocation (G&A)	\$686,000	\$892,551	
Fixed Costs not subject to 29% Margin	\$625,000	\$625,000	
Total Fixed Cost	\$5,266,823	\$5,449,002	\$156,645

**EXHIBIT A**

**Irregular Costs:**

(Amended January 21, 2005)

The following table summarizes the irregular costs incurred in FY 03 – 04 organized by project numbers. Exhibit B provides additional descriptions of each of these irregular projects. The total costs incurred in FY 03 – 04 as irregular costs were \$2,702,042 compared to the amount identified in Commission Order No. 2004-349 of \$1,781,084. We therefore request the Commission identify \$2,702,042 as allowable irregular costs for FY 2003 – 2004.

<b>Irregular Cost Item</b>	<b>Basis For Order Amount</b> (Blume Testimony Exhibit AA)	<b>Actual FY 03-04 Labor</b>	<b>Actual FY 03-04 Non-Labor</b>	<b>Total Cost FY 03-04</b>
Big Rock RPV	\$70,114.00	\$2,465.17	\$60,409.24	\$62,874.41
CT Yankee RPV	\$352,321.00	\$8,177.41	\$345,220.04	\$353,397.45
Other large components: CY RHX, three RCPs, Navy RSMAs(6) and leadscrews(6)		\$11,503.18	\$88,398.33	\$99,901.51
West Swale Construction	\$142,765.00	\$47,128.71	\$108,396.49	\$155,525.20
Trench 96	\$113,375.00	\$4,977.78	\$70,464.22	\$75,442.00
Trench 86 Mods	\$65,104.00	\$1,740.75	\$46,056.00	\$47,796.75
Various Trenches: Trench 94 mods, Slit Trench 22, Slit Trench 23, Slit Trench 24, Slit Trench 22, start Trench 97		\$27,365.40	\$44,216.16	\$71,581.56
Water and Sewer	\$136,786.00			
Depreciation	\$86,836.00		\$94,967.21	\$94,967.21
Insurance	\$725,205.00		\$941,301.46	\$941,301.46
Decontamination and Corrective Actions		\$10,426.81	\$10,047.04	\$20,473.85
Engineering Drawings		\$38,632.80	\$18,659.65	\$57,292.95
Miscellaneous Irregular Projects		\$14,266.56	\$11,393.87	\$25,736.60
License Renewal and Appeal costs		\$24,246.68	\$258.02	\$24,504.90
B&CB support (irregular)		\$8,691.90		\$8,691.90
Other Irregular costs (PT&C, QA consultant)			\$54,311.09	\$54,311.09
Additional Irregular Non-Labor Costs			\$480,132.03	\$480,132.03
Prior Year Trench Cost Adjustments			(\$5,340.42)	(\$5,340.42)
Irregular Costs Subject to 29% Margin	\$1,691,720.00			\$2,573,930.37
Retention Compensation	\$89,364.00	\$83,541.84		\$83,541.84
Legal Support (license Appeal)			\$26,656.38	\$26,656.38
Legal Support (EEO)			\$17,913.28	\$17,913.28
Irregular Costs not subject to 29%	\$89,364.00			\$128,111.50

**EXHIBIT C:**  
**FISCAL YEAR 2004-2005 COSTS**  
(Amended January 21, 2005)

We propose the following amounts be identified as allowable costs for Fiscal Year 2004-2005:

FIXED COSTS	
<b>Labor and Fringe</b>	<b>\$2,854,670</b>
<b>Non-Labor</b>	<b>\$1,405,755</b>
<b>Corporate Allocations</b>	<b>\$923,749</b>
(Management Fees / G&A)	
<b>Costs to which the 29% margin is not applied</b>	<b>\$625,000</b>
Total Fixed Costs	\$5,809,175
IRREGULAR COSTS	
Trench Construction	\$60,000
Depreciation	\$110,000
Insurance	\$962,023
Free-flowing sand backfill	\$100,000
Large Components	\$70,000
Costs where the 29% margin is not applied (License appeal legal support and retention compensation)	\$341,641
<b>Total Irregular Costs</b>	<b>\$1,643,665</b>
VARIABLE COSTS	
<b>Variable Labor Rates</b> <b>based on rates identified in Order</b> <b>2004-349</b>	
Vault Purchase and Inspection (per vault)	\$82.47
ABC Waste Disposal (per shipment)	\$882.47
Slit Trench Operations (includes laundry costs) (per slit trench offload)	\$5,289.12
Waste Acceptance (per shipment)	\$257.86
Trench Records (per container)	\$51.65
<b>Variable Material Costs (Vault)</b> <b>based on actual FY 03-04 rates plus</b> <b>supplier cost increase</b>	
Class A Waste (per cubic foot)	\$31.23
Class B Waste (per cubic foot)	\$31.41
<b>Class C Waste (per cubic foot)</b>	<b>\$29.81</b>
Slit Trench Waste (per cubic foot)	\$115.93
<b>Other Variable Material and Support Costs</b>	
ABC Waste Disposal (per shipment)	\$484.49
Slit Trench Operations (per slit trench offload)	\$2,926.13
Vault Purchase and Inspection (per vault)	\$10.81

BEFORE THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

Docket No. 2000-366-A

IN RE: Application of Chem-Nuclear Systems, )  
LLC, a Division of Duratek, Inc., for )  
Adjustment in the Levels of Allowable )  
Costs and for Identification of Allowable )  
Costs )  
\_\_\_\_\_ )

**CERTIFICATE  
OF SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing amended Exhibits A (page 1 and 3) and Exhibit C upon the following parties by causing said copies to be deposited with the United States Mail, first class postage prepaid and addressed as follows:

David K. Avant, Esquire  
South Carolina Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

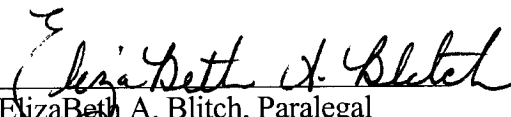
Hana Pokorna-Williamson, Esquire  
Acting Consumer Advocate  
State of South Carolina  
Post Office Box 5757  
Columbia, South Carolina 29250-5757

The Honorable Max K. Batavia  
Atlantic Compact Commission  
1201 Main Street  
Suite 826  
Columbia, South Carolina 29201

The Honorable Henry Dargan McMaster  
Attorney General  
State of South Carolina  
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January 28, 2005

Columbia, South Carolina